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Managing Expenses for Businesses

Economic circumstances can change on a dime. It's hard for any business owner, CEO, or CFO could have planned or predicted the full scope of possible variables that could impact their business' bottom line.

When times of economic uncertainty arise, firms pivot and make changes, and one important consideration is expenses. Paying bills might be a lot more difficult, and sensible decisions must be made when it comes to business owners and the cash in their bank. Business owners – and CEOs, financial controllers, and any decision-makers with skin in the game – need to figure out how to allocate their capital to pay expenses, and consistently monitor these expenses so they can pay salaries, buy inventory, cover rent and run their operations. In fact, of all the things a business owner must do, not running out of money is the most important priority.

Sales and growth and market penetration are important and crucial, but if there's no money to do those things, a business won't last. Here are some ways to manage your expenses and ensure healthy, sustainable growth (and, of course, how Schooley Mitchell can help you do so.)

Stay on top of it.

Make sure to set up regular reviewing procedures to ensure expenses are completely updated and accounted for. Of course, this is hard to do when you're running all the other aspects of your organization – consider giving Schooley Mitchell a call as we can monitor your business expenses regularly to ensure you're not paying a penny more than you should.

Stay vigilant.

Most small businesses, especially the brand- new ones, must keep “lean and mean” in order to get off on the right foot. Managing expenses is an integral part of this mind-set. It's imperative not to ignore small expenses that add up and chip away at the bottom line.

Thankfully, Schooley Mitchell is here to be your expense watchdog,

constantly staying on top of your spending and negotiating lower prices for you on the market.



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Be ruthless with overhead expenses.

It is imperative to scrutinize your overhead. Investigating new technologies for phones, payment processing, shipping, fuel, and waste removal is pivotal in keeping costs down. Operating as thinly as possible in these areas frees up more money to optimize operations and improve your products and services. Schooley Mitchell can scrutinize your expenses for you, negotiating with vendors in several business areas in order to reduce your costs and streamline your systems. You can't always afford to sit on the phone with your telecommunications vendor for an hour to knock their price down – but Schooley Mitchell is more than happy to do so for you.

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Beware inventory.

If you are starting a small business and must carry inventory, then it is imperative to set up an inventory system. Excess inventory will be a drag on any small business and likewise sparse inventory may impede sales. Inventory is really just cash sitting on a shelf so you don't want it idling too long. Be prepared to adjust the inventory on a very regular basis, if possible, because your cash flow may



depend on it.

Make sure that you have a tracking system that you can easily review – “missing” inventory is not an expense you want to encounter. Factor in the shipping expenses for your product. There are many competing freight services and it pays to compare several and re-evaluate often. As experts in shipping and courier services, Schooley Mitchell can be beneficial in evaluating the prices different shipping vendors charge and obtaining the most cost-effective options for your business.

Managing your expenses will directly impact the profitability of your small business. Keeping a firm grip on all costs will benefit you as you expand and grow. With Schooley Mitchell, you can ensure all your costs are as low as they can be, your service vendors are being held accountable, and your systems and processes are optimized.

